

## **Boston's FY05 Local Annual Workforce Development Business Plan**

**N.B.—This is an initial draft of the FY2005 Boston Local Workforce Development Business Plan to be submitted to the Commonwealth on June 10, 2004. In accordance with the guidelines issued by the State, under the authority of the federal Workforce Investment Act, each local area must respond to five questions. These questions are introduced below, with each of Boston's proposed responses following.**

### ***1. What will be the local area's three primary initiatives for providing services to job seekers for FY 2005?***

The Boston's workforce system's three primary initiatives for providing services to job seekers are:

- Providing high quality and results-oriented services to unemployed job seekers through the career centers and through training opportunities.
- Refining capacity to serve special populations with extraordinary barriers to employment including the chronically homeless, disabled, non-English speakers, ex-offenders, and TANF recipients.
- Using labor market information to align outreach to employers with the skills of job seekers who are using career center services

### **Serving the Unemployed**

The Boston workforce system has experienced a sharp increase in the over-all volume in job seekers, and in particular those who are unemployed. In fiscal year 2003, the career centers served 14,429 job seekers, an 89% increase in job seeker volume since fiscal year 2000. 12,000 jobseekers identified themselves as unemployed. The proportion of unemployed customers rose from 73% in FY'98 to 88% in FY'02, and remained at that level in FY'03.

At the same time, the funding streams that support career center services have declined by one-third over the past seven years. We are particularly concerned about the state's new requirement that will result in 9,000 additional UI claimants using career center services with no additional funding. The Boston Workforce Board Chair has expressed the Board's deep concern about this issue to the Governor.

Job seekers are staying longer and using more services – an increase from 62% to 89% of job seekers are using three or more services. We have experienced a 38% increase across the system in unemployed job seekers who have used three or more services. The average service utilization for all career center customers was 8.5 services per customer. We are proud of the rate of retention of the customer base, but continue to be concerned that without sufficient funding, the quality of the services that lead to retention and results will suffer from the sheer size of the demand.

The adult and dislocated funding streams have increased by approximately 26% and

67 %, respectively, while the Wagner Peyser resources have decreased by 13%. Even with this increase, the pool of ITAs is still miniscule, relative to demand, to serve the entire city of Boston. For adults with limited basic skills or obsolete skills, training is critical to their eventual re-employment. We will therefore allocate more resources to training from the WIA dollars, but this will still only result in an increase of TBD training slots.

### Special Populations with Extraordinary Barriers to Employment

The Boston workforce system has focused on services to non-native English speakers for two primary reasons:

- We have experienced an increase in non-native English speakers who use the system as a result of plant closings in manufacturing assembly that have displaced workers with strong work habits, but very limited English.
- As reported in 2000 Census data, the only source of population growth in the Boston labor market is from foreign immigration. According to the Commonwealth's most recent Labor Market Information Profile for Boston (3<sup>rd</sup> Quarter 2003), the city's share of foreign-born population "was essentially twice the share" of this population for the state.

The Boston system has pursued, with the Commonwealth, National Emergency Grants to pay for English for Speakers of Other Languages classroom capacity as well as occupational skills training. As the NEG grants begin to wind down, we have also allocated WIA training dollars to ESOL capacity. We will continue to do that through this planning cycle.

The Boston system has also started to work very closely with a coalition of housing, social service and job training agencies through a federal grant awarded to the Workforce Board to serve the chronically homeless. We have integrated the career centers into this program and allocated resources for them to develop and refine their capacity to serve chronically homeless individuals.

Through the Navigator program we are also working with the career centers to better serve the disabled. Each of the career centers has focused on a particular group of disabled including, the mentally ill and individuals with HIV.

Finally, we continue to provide services to ex-offenders through grant dollars primarily through a partnership between The Work Place and the Suffolk County House of Correction.

### Labor Market Data

Given the slow economic recovery and job loss from the recession, putting people back to work remains challenging throughout the state. This is particularly true for Boston, where the number of jobs between 3<sup>rd</sup> quarter 2002 and 3<sup>rd</sup> quarter 2003 fell by 20,181,

or -3.6%. This decline was “much greater than the decline of -2.2% experienced by the entire commonwealth,” according to the DUA/SWID/DWD regional profile for Boston.

The greatest job losses in Boston in numerical terms by sector between the 3<sup>rd</sup> quarter of 2002 and the 3<sup>rd</sup> quarter of 2003 were:

- Securities, Commodities and Investments (-4,464; -11.6%);
- Professional, Scientific & Technical Services (-3,610; -5.7%);
- Manufacturing (-1,965; -12.8%);
- Information, Production & Dissemination (-1,863; -10.1%);
- State Government (-1,407; -3.8%); and
- Transportation and Warehousing (-1,010; -5.4%)

These losses continue trends observable in the 2001-2002 year, when these sectors also suffered great job losses in the city. In 2001-02, however, the city’s greatest number of job losses were in Professional, Scientific and Technical Services (-5,370), followed by State Government, excluding education (-4,040); Securities, Commodities & Investment (-2,916); Information, Production & Dissemination (-2,395); Transportation & Warehousing (-2,302) and Manufacturing (-1,759).

The Boston system is therefore working very hard to use labor market data to better match the job seekers who are using the career centers and training providers with employers who have some demand for individuals with those skill sets. This is primarily happening at the career centers and with training providers through assessing the background and skill sets of individuals who are using the Connecting Claimants program as well as other special populations and reaching out to employers who are a good fit with the background of those job seekers.

While job losses between the 3<sup>rd</sup> quarter 2002 and 3<sup>rd</sup> quarter 2003 were widely spread across industries in Boston, there were sectors where jobs were added:

- Hospitals added 1,431 jobs (+2.3%);
- Banks and credit institutions added 1,017 (+6.4%);
- Federal Government added 811 (+5.6%);
- Offices of doctors and walk-in clinics added 577 (+4.7%); and
- Business support added 409 (+1.2%), all in employment services (+3.7%).

The Workforce Board is working with the career centers to integrate them into sector initiatives focused on these areas of growth and specific high demand occupations – improving information and developing career decision-making tools that the career centers can use with career changers. Specific examples include a medical imaging website ([radiologycareersma.org](http://radiologycareersma.org)) and a workshop on nursing careers. Partnerships have also been developed with specific employers to provide career coaching to entry level incumbent workers.

The fiscal agent has focused primarily on the capacity of the training system to work with employers and to strengthen their programs through better partnerships with employers. On May 4<sup>th</sup> JCS sponsored a capacity building workshop for community-based

organizations to address their practice and capability to function in a very dynamic labor market.

***2. What will be the local area's three primary initiatives for providing services to businesses for FY 2005?***

The three primary initiatives in our work with employers are:

- Focusing on economic development opportunities,
- Launching industry consortia
- Aligning employer outreach by the career centers with the skill sets of unemployed job seekers who are using the career centers.

The Fiscal Agent (Mayor's Office of Jobs and Community Services) is working with the city's economic development agency to ensure that workforce planning is a critical and well-developed component of any new development in the Longwood Medical Area and Harvard's Allston campus. This work will result in concrete workforce plans for these geographic areas along with resources to provide training through linkage dollars.

The Workforce Board has started a conversation with health care employers to develop a pipeline strategy that addresses their skill needs over the next five years. This project will be launched with private dollars. We aspire to convene the industry around a set of objectives that impact private and public workforce systems that result in more youth and adults in Boston being well informed about career opportunities, well prepared for opportunities and having sufficient and high quality educational capacity to respond to employer demand. The Workforce Board intends to launch a similar initiative in financial services, where job growth occurred in banking and credit institutions over the 2002-03 period and where other aspects of the industry appear to be recovering, over the course of FY 2005.

The career centers are taking a number of steps to better serve employers:

- Collecting accurate and relevant skills and experience data for job seekers and matching job seekers more accurately with employers;
- Collecting voice of the customer feedback in collaboration with the Board through interviews and focus groups.
- Educating employers who are working with special populations about the CORI and about accommodating disabilities.

***3. For FY 2005, what are your area's three highest priorities and resulting strategies for managing the WIA Title I youth program?***

Our three top priorities for managing the WIA Title I youth program are:

- Supporting alternative education capacity for youth who have dropped out of high school or are at-risk of dropping out of school;

- Continuing to focus on career exploration programs for at-risk youth, designed and delivered in partnership with industry and including summer jobs opportunities;
- Sustaining city-wide capacity to serve Boston's most-at risk youth, those who are court-involved or DYS-committed, through the Youth Opportunity Center (which is funded with dollars limited to serving Empowerment Zone residents).

Our services are targeted toward youth who meet the eligibility requirements of the Workforce Investment Act – low-income with additional barriers to employment. In particular, we are focusing our services on youth who have dropped out of school to ensure that these youth have the opportunity to attain a secondary diploma or GED. In addition the career centers are serving young people who have met graduation requirements but have not yet passed the MCAS, which is a new at-risk population. We are working with youth from the Class of 2003 and the Class of 2004.

The Board and Youth Council provide policy guidance to the youth system, approve spending and are focused on sustaining the capacity that has been supported through the WIA Title I grant and the Youth Opportunity (YO) Grant, which is entering its fifth and final year of grant support. The Youth Council's goal is to maximize services to at-risk youth by ensuring that the work of WIA vendors and YO is complementary and mutually supportive. The Fiscal Agent manages the performance of vendors, provides technical assistance, reports to the state on performance and spending, assists in staffing the Youth Council and is the grant recipient for the Youth Opportunity Center. The youth vendors provide career exploration programs in partnership with employers and summer jobs opportunities in the context of year-round career exploration. The career centers provide referrals and support in the areas of immediate job-search, long-term career coaching, MCAS remediation and other education and training programs to students who have not passed the MCAS.

#### ***4. How will the local area maximize the availability of appropriate training opportunities and resources for adults and dislocated workers for FY 2005?***

We will increase the allocation of program dollars to training for adults and dislocated workers. Adult training funds will be increased by \$195,245 and dislocated worker training funds will be increased by \$619,109. At an average cost of \$4,000 per Individual Training Account (ITA), this would represent an increase of 49 ITAs for adults and 155 ITAs for dislocated workers.

The local area releases training money in three time intervals in order to ensure that the entire allotment is not expended in the first few months of the year and customers have to wait for nearly a year for service. Customers who are interested in training attend group sessions at the career centers that explain the funding eligibility, the process for researching training opportunities and the process for obtaining an individual training account. After customers have attended one to one counseling, done research and selected a training vendor, the career centers submit the ITA request to the Fiscal Agent

for approval. Approval is based on policies adopted by the Board that give priority to individuals who do not have a college diploma or whose skills are obsolete in the marketplace.

***5. What specific continuous improvement strategies are planned by the local partners to strengthen the operation of the One-Stop Career Center(s) enhance the delivery of services to the area's workforce investment system customers and/or assure attainment of planned goals for FY 2005?***

Each year the Board, Fiscal Agent and career center operators engage in a number of activities to ensure continuous quality improvement and to enhance delivery of services. These activities include:

- Convening a Workforce Advisory Group that includes partners, career center operators, training providers, and advocates to develop and enhance systems and practices across the entire service delivery system;
- Convening a Best Practices Workgroup to develop practices specific to the flow of services that facilitate customers moving between providers with as much efficiency and effectiveness as possible;
- Continuing a Charter Review Process that includes customer focus groups, point of service interviews, reviewing a progress report from career center operators and a business plan from operators. This process includes the Board committee that oversees career centers and training services;
- Soliciting ongoing customer feedback through focus groups, interviews and surveys at the career center level and the Board level;
- Supporting staff teams at each of the career centers that focus on particular processes that are critical to customer service and performance;
- Expanding fiscal agent-led work groups of training providers and career center staff focused on improving training for specific groups of customers (e.g. limited English speakers);
- Capacity building for system providers such as the conference organized on May 4<sup>th</sup> for community-based organizations.

At the staff and Board level we are also reviewing the performance goals. We are determining how particular training providers performed against goals, if there are occupational areas with particular challenges, and if there are systemic enhancements necessary to raise goals. We are focusing on both definitional and data entry issues associated with the credential goal for youth and adults. We are also looking at the wage gain goal for both youth and adults. While we are focusing on how to raise the performance, we are also intending to use realistic economic data to negotiate the

performance level down. It has been increasing steadily under the Workforce Investment Act, despite first an economic downturn and then a jobless recovery. For youth, the economic downturn created the worst labor market for young adults since the Second World War. A surplus of labor for entry-level positions, which formerly served as youth labor market jobs, has depressed wages rather than increased them. In fact, wages for workers of all ages have suffered during the economic slump. According to DUA's data on the Boston Workforce Area's annual wages by selected industries, overall wages in Boston dropped 1.8% (representing a loss of \$1,122) in private sector employment between 2001 and 2002.